

University of Hawaii at Manoa  
Department of Economics

ECON 130  
Principles of Microeconomics  
Spring 2006 Semester

**Instructor:** Kyle Hampton

**Course Description:** The science of economics asks students to abstract themselves from processes that govern the large and small scale phenomena of trade. This process of abstraction focuses one's attention on the organic nature of the market and the role of incentives in directing human enterprise. This course will attempt to develop in the student the intellectual tools for systematic analysis of this dynamic. This entails the learning of a new cadre of terms for economic events and getting comfortable with fundamental economic models.

Topics addressed include models of supply and demand, determinants of consumer demand, and the theory of the firm. In addition, the course will examine public policy issues using the tools of economic analysis. These topics will include taxation, trade, market failure, and antitrust. A basic understanding of graphical analysis is critical to getting the most from the course.

**Prerequisite:** None

**Course Structure:** Predominately lecture-based with in-class discussion encouraged. The structure of this discussion will depend upon the size of class, the size of the classroom, and the willingness of students to participate. Students will be asked to show some aptitude for integrating their understanding of economics in analysis of real-world events. To this end, students will be asked to contribute short economic writing assignments to a class weblog.

Students will also be required to participate in hands-on experiments that demonstrate economic principles. These experiments will take place both in and out of class and students will be able to earn extra credit points through their participation.

**Course Materials:**

Mankiw, N. Gregory, *Principles of Microeconomics*, 3<sup>rd</sup> edition, Thomson South-Western, 2004.

Aplia™ Online Course Materials.

It is critical that students actively engage the material we will be covering in the text and lectures. To this end, a substantial portion of the course grade will be determined by homework problems completed online at the Aplia website.

**Determination of Grades:**

Aplia Homework 25%  
Mid-Term Exam 30%  
Blog Entries 15%  
Final Exam 30%

Examinations will consist of multiple choice and true and false questions. Exams are closed book, closed notes. The final exam will not be comprehensive. It will deal only with material from the second half of the course. Please bring an official UHM picture ID on the day of the exam.

**Course Schedule:**

**Week 1** (*Jan. 10, 12*) – Chapter 1 – Ten Principles of Economics

**Week 2** (*Jan. 17, 19*) – Chapters 2 and 3 – Thinking Like an Economist, Gains from Trade

**Week 3** (*Jan. 24, 26*) – Chapter 4 – Supply and Demand Analysis

**Week 4** (*Jan. 31, Feb. 2*) – Chapter 5 – Elasticity and its Application

**Week 5** (*Feb. 7, 8*) – Chapter 6 - Supply, Demand, and Government Policies

**Week 6** (*Feb. 14, 16*) – Chapters 7 and 9 – Market Efficiency, International Trade

**Week 7** (*Feb. 21, 22*) – Chapters 8 and 12 – Costs of Taxation, Design of the Tax System

**Week 8** (*Feb. 28, Mar. 2*) – Chapters 10 and 11 – Externalities and Public Goods

**Week 9** – Review Session (*Mar. 7*) – Mid-term Examination (*Mar. 9*)

**Week 10** (*Mar. 14, 16*) – Chapters 13 and 14 – Costs of Production, Firms in Competitive Markets

**Week 11** (*Mar. 21, 26*) – Chapters 15 and 16 – Monopoly, Oligopoly

**Week 12** (*Mar. 28, 30*) – Spring Break

**Week 13** (*Apr. 4, 6*) – Chapters 17 and 18 – Monopolistic Competition, Markets for Factors of Production

**Week 14** (*Apr. 11, 13*) – Chapters 19 and 20 – Earnings and Discrimination, Income Inequality and Poverty

**Week 15** (*Apr. 18, 20*) – Chapter 21 – Theory of Consumer Choice

**Week 16** (*Apr. 25, 27*) – Chapter 22 – Frontiers of Microeconomics

**Week 17** (*May 2*) – Review Session

**Final Exam** (*May 11, 12 pm – 2pm*) – Attendance is mandatory. Please bring several No. 2 pencils. Calculators are permitted. There will be no opportunity for taking a make-up examination under any circumstance. Students who miss either examination will be assigned zero points. Any student missing an examination is encouraged to drop the course immediately. Final letter grades will assigned in plus/minus format with “A” being the highest grade possible. Class and office hours attendance is of critical importance to students struggling with the material and is encouraged.